

# **MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**WEDNESDAY, MARCH 22, 2017 AT 4:30 PM**

**IN THE MARY BRENNAN BOARD ROOM**

**T. F. GREEN AIRPORT**

**2000 POST ROAD, WARWICK, RHODE ISLAND**

**The meeting of the Rhode Island Airport Corporation (Corporation) Board of Directors was called to order by Chair, Jon Savage at 4:33 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.**

**BOARD MEMBERS PRESENT: Jon Savage; Russell Hahn; Heather Tow-Yick; Christopher Little (arrived at 5:15 pm), Michael Traficante and Deborah Thomas**

**BOARD MEMBERS ABSENT: Gregory Pizzuti**

**ALSO PRESENT: Iftikhar Ahmad, President and CEO, and those members listed on the attendance sheet attached hereto.**

## **1. Approval of the Minutes:**

**A motion was made by Mr. Hahn to approve the minutes of the Board**

**of Director's Meeting of February 22, 2017. The motion was seconded by Ms. Thomas.**

**The motion was passed unanimously.**

## **2. Open Forum:**

**Mr. Savage asked if anyone present wanted to speak in Open Forum. No one came forward.**

## **3. Report from the President and CEO:**

**Mr. Ahmad presented the President and CEO Report and reported on the following:**

- Mr. Ahmad stated there were 2 announcements made this past month: Vacation Express with service to Cancun for the summer and Norwegian Airlines with service to Bergen, Norway. This will bring us to 9 nonstop international destinations.**
- Mr. Ahmad stated there are four URI groups here this week working on a business case competition on the current market and a strategic plan to keep passengers at PVD and ways for passengers to spend money here. On March 28th the four teams will present their case studies to a group of judges. Mr. Pizzuti will be one of the panel judges.**

- **Mr. Ahmad stated Moody's will be updating their rating on the Interlink First Lien Special Facility Bonds.**
- **Mr. Ahmad stated there was a preproposal meeting on March 21st for the Advertising Concession Program and two vendors attended.**
- **Mr. Ahmad stated two proposals were received for the Aircraft Hangar Development and they will be reviewed.**
- **Mr. Ahmad stated there are transition plans for Garage C. On November 30, 2017, the garage will no longer be owned by RIAC. The original owner will take over after this date.**
- **Mr. Ahmad stated that on March 23, 2017 at 6:00 pm there will be a workshop at Westerly Airport. Attending will be RIAC, pilots and the community.**
- **Mr. Ahmad stated that on March 27, 2017 at 6:00 pm there will be a workshop at Newport Airport. Attending will be RIAC, pilots and the community.**
- **Mr. Ahmad stated that on March 9, 2017 RIAC met with officials from Cork Airport and the local tourism officials here at the airport.**
- **Mr. Ahmad stated that RIAC management met with the local tourism**

**officials.**

**Mr. Ahmad asked Mr. Andrade to provide an update on the December Operations Report.**

**Mr. Andrade noted the increase in seats and departures was primarily due to two new services added. Mr. Andrade also explained the passenger numbers lagged these increases, likely due to an increase in the cost of tickets. Mr. Ahmad reported Providence passengers were paying a 30% premium over Boston passengers on non-Florida markets. The 8% increase in seats took place on the passenger side, which means the price went up. We will provide an update on fares at a future meeting as the information is typically reported three to four months later.**

**Mr. Ahmad asked Mr. Schattle to provide an update on the Statements of Revenues and Expenses.**

**Mr. Schattle noted this format of report will be in board members' packages going forward. Mr. Schattle provided an update on the Statements of Revenues and Expenses. The statements include categories for airline revenue and non-airline revenue, operating expenses, general aviation airports, non-operating revenues (expenses) and the InterLink Facility. The statements include information for the month of December and fiscal year to date through December. Mr. Schattle mentioned that the statements were**

presented in detail at the Finance and Audit Committee Meeting. Mr. Schattle discussed the results for the month of December and the fiscal year to date with a focus on variances from the prior year. Mr. Schattle pointed out the food and beverage revenue increased primarily due to the scheduled increase in the Minimum Annual Guarantee (MAG). Mr. Schattle noted that the news and gifts revenue increase outpaced the increase in enplanements. Mr. Schattle noted the automobile parking increase was driven by the efforts to maximize on-airport parking revenue and there is a corresponding reduction in the off-airport parking fees. Mr. Schattle discussed the other operating expenses noting that some variances may be based on the timing of expenditures.

Mr. Schattle explained the GA airports revenue increased primarily due to increased activity and fuel sales. Mr. Schattle noted the decrease in Passenger Facility Charges (PFCs) for the month of December was primarily due to an over accrual based on estimates in the prior year. Mr. Schattle also noted that the fiscal year to date trend appears lower than anticipated and that staff is reviewing. Mr. Schattle explained that contributed capital includes funds received from federal grants for capital projects offset by expenditures that are for the benefit of third parties (i.e. FAA equipment). Mr. Schattle noted that this line item can fluctuate based on timing of expenditures and capital projects.

#### **4. Department Updates:**

## **(a) Maintenance and Operations**

### **i. Solar Project Update**

**Mr. Andrade reported that Solar City will own, maintain and repair the solar equipment. The 7460s were approved by the FAA. Solar City has submitted permits for North Central airport and Newport airport and they are anticipating approvals from RIDEM by mid-April. Mr. Andrade noted the land releases, identifying the acreage chosen, from aviation to non-aviation is expected to be received in April. Solar City is working with National Grid on interconnections agreements. Mr. Andrade reported that we are operating under a power purchase agreement and Solar City will be paid \$0.11/kwh produced. RIAC will receive a credit based on the difference between the net metering credit rate, which is currently \$0.14/Kwh, and the amount paid to Solar City. The agreement includes buyout option at certain increments, 6 years, 10 years and 15 years. Mr. Andrade noted the credit created will be applied to the electric bill. Mr. Savage asked if we have the right to relocate the solar panel locations at any time. Mr. Andrade answered yes but the cost would be RIAC's and we have to work with Solar City to move them. Mr. Savage asked if there was flexibility on other spots to put these knowing our campus. Mr. Andrade answered yes and we are balancing space and cost. Ms. Tow-Yick asked if Solar City was incorporating ways to improve technologies now or adding throughout the project. Mr. Andrade answered yes and explained there was already discussion on adding**

**charging stations for electric vehicles.**

## **5. Finance and Audit Committee Update.**

**Ms. Thomas noted there was a Finance and Audit Committee meeting prior to the Board meeting and they reviewed operational information and financial reports. The Committee asked questions and received answers. Ms. Thomas highlighted the increase in news and gifts revenue with Paradies and how it increased more than the enplanement trend. This increase was due to how they mixed products in their locations.**

## **6. Action Items:**

**(a) Approval to Enter Into a Professional Services Agreement to Purchase and Install a Hyperconverged Server Solution and Provide Annual Maintenance Support Services for the Installed Solution at T. F. Green Airport.**

**Mr. Costa explained that current system was designed with an emphasis on availability over the benefit of performance (speed). The new system will combine servers and storage providing a solution that will enhance performance for users. Mr. Costa shared that RIAC met with many vendors while developing the preferred solution for updated equipment and utilized the information to develop a Request for Proposals (RFP). Mr. Costa noted that multiple vendors attended**

a pre-proposal meeting and one proposal was received. The selection team determined it was in RIAC's best interest to append the RFP and re-solicit in an effort to encourage additional submissions. One proposal was received from The Walker Group. Mr. Savage asked if the team was comfortable with the vendor. Mr. Costa answered yes and that they came highly recommended from the manufacturer. Ms. Thomas asked why there was only one proposal. Mr. Costa explained they reached out to the other firms that showed interest to receive feedback. One stated that they thought they wouldn't compete on price and the other was only interested in providing services versus equipment. The recommendation is that the Board authorizes the President and CEO, or his designee, to enter into an Agreement with The Walker Group.

A motion was made by Mr. Traficante and seconded by Mr. Hahn to approve the recommendation.

The motion was passed by five affirmative votes. The vote was as follows:

**YEAS: Heather Tow-Yick**

**Russell Hahn**

**Jon Savage**

**Deb Thomas**

**Mike Traficante**



**NAYS: None**

**ABSTAIN: None**

**7. Executive Session:**

**At approximately 5:05 p.m. a motion was made by Ms. Tow-Yick and seconded by Ms. Thomas to go into Executive Session for the purpose of discussing the following items:**

**The Board will seek to go into Executive Session for the following stated purposes:**

**(a) Motion to Approve the Minutes of the Executive Session held on February 22, 2017 § 42-46-5(a), (2) and (7); and**

**(b) Discussion Related to Personnel (Job Performance) - R.I.G.L. § 42-46-5(a)(1); and**

**(c) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Air Service Development and Marketing Program) – R.I.G.L. § 42-46-5(a)(7); and**

**(d) Discussions Regarding Security (FIS Renovations) – R.I.G.L. § 42-46-5(a)(3); and**

**(e) Discussions Related to One Potential Non-Public Litigation Matter (Construction Dispute) – R.I.G.L § 42-46-5(a)(2); and**

**(f) Motion to Return to Open Session.**

**By the following roll call vote the motion was passed unanimously.**

**YEAS: Heather Tow-Yick**

**Russell Hahn**

**Jon Savage**

**Deb Thomas**

**Mike Traficante**

**NAYS: None**

**ABSTAIN: None**

**At approximately 7:15 pm, a motion was made by Ms. Thomas and seconded Ms. Tow-Yick to return to Open Session.**

**The motion passed unanimously.**

**8. Post Executive Session Actions and Announcements:**

**(a) Motion to Seal the Minutes of the Executive Session Held on**

**March 22, 2017.**

**A motion was made by Mr. Traficante and seconded by Mr. Hahn to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4.**

**By the following roll call vote the motion was passed unanimously.**

**YEAS: Heather Tow-Yick**

**Chris Little**

**Russell Hahn**

**Jon Savage**

**Deb Thomas**

**Mike Traficante**

**NAYS: None**

**ABSTAIN: None**

**(b) Report on Actions Taken in Executive Session.**

**During the Executive Session a motion was made by Mr. Traficante and seconded by Mr. Hahn to approve the sealed minutes of the Executive Session held on February 22, 2017.**

**The motion was passed unanimously.**

## **9. Action Items:**

**(a) Approval of the President and CEO to Develop an Air Service Marketing Program to Attract Additional Air Service to Rhode Island.**

**A motion was made by Mr. Traficante and seconded by Mr. Hahn to authorize the President and CEO to develop and utilize an Air Service Marketing Program to attract additional air service to Rhode Island.**

**The motion was passed by six affirmative votes. The vote was as follows:**

**YEAS: Heather Tow-Yick**

**Chris Little**

**Russell Hahn**

**Jon Savage**

**Deb Thomas**

**Mike Traficante**

**NAYS: None**

**ABSTAIN: None**

## **10. Future Meetings:**

**The next Board Meeting will be held on Wednesday, April 26, 2017 at 4:30 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.**

**11. Adjournment:**

**Ms. Thomas moved to adjourn at approximately 7:20 p.m. Mr. Hahn seconded the motion.**

**The motion was passed unanimously.**

**Respectfully submitted,**

**Jon Savage, Chair  
Rhode Island Airport Corporation**

**PUBLIC ATTENDANCE SHEET  
RHODE ISLAND AIRPORT CORPORATION  
MEETING OF THE BOARD OF DIRECTORS  
WEDNESDAY, MARCH 22, 2017**

**NAME     AFFILIATION**

**Brian Schattle    RIAC**

**Alan Andrade    RIAC**

**Alicia Seabury    RIAC**

**Donna Melone    RIAC**

**Sherri Ann Penta    RIAC**

**Paul McDonough    RIAC**

**Timothy Pimental    RIAC**

**Bruce Wilde    RIAC**

**Annette Jacques    RIAC**

**Leo Messier    RIAC**

**Dan Porter    RIAC**

**Doug Dansereau    RIAC**

**Steve Cahill    RIAC**

**David Cloutier    RIAC**

**Eric Seabury    RIAC**

**Jeff Goulart    RIAC**

**Patti Goldstein    RIAC**

**Randy Costa    RIAC**

**Robert Goff    New England Parking**

**Christina Lewis    Hinckley Allen**

**The minutes of the Executive Session of the Board Meeting March 22, 2017 have been sealed in accordance with R.I.G.L. § 42-46-4.**